

TEACHERS' RETIREMENT BOARD
BENEFITS AND SERVICES COMMITTEE

SUBJECT: Level of Service Standards

ITEM NUMBER: 7

ATTACHMENT: 3

ACTION: _____

DATE OF MEETING: October 11, 2001

INFORMATION: X

PRESENTER(S): Michael Carter

EXECUTIVE SUMMARY

The Level of Service report provides the Benefits and Services Committee with the necessary information to fulfill its oversight responsibility regarding the delivery of benefits and services to CalSTRS members. The following are reports for the month of August 2001.

I. Overview

- A. CalSTRS paid a total of 173,810 benefit recipients \$337,991,518 in August 2001. In addition, following is information related to the number of benefit recipients impacted and gross dollars paid for recently enacted legislation and the Quarterly Supplemental Payments, which were successfully paid.

Assembly Bill 429 – Percentage Adhoc Increase

Following are the number of benefit recipients who received an increase due to the passage of Assembly Bill 429 (Chapter 1027, Statutes of 2000), gross dollars paid for all retroactive payments and the average amount of the retroactive payment. The retroactive period for the payment covered January 1, 2001, through June 30, 2001. All retroactive payments were issued July 1, 2001.

Division	Volume of Retroactive Payments	Gross Dollars Paid from all Retroactive Payments	Average Payment
Disability	2,291	\$ 623,068.33	\$ 271.96
Survivor Benefits	13,856	\$ 3,652,082.58	\$ 263.57
Service Retirement	124,940	\$ 44,373,541.19	\$ 355.16
TOTAL	141,087	\$ 48,648,692.10	\$ 344.81

Senate Bill 1505 – Minimum Guarantee Allowance Adhoc Increase

Following are the number of benefit recipients who received an increase due to the passage of Senate Bill 1505 (Chapter 1026, Statutes of 2001), gross dollars paid for all retroactive payments and the average amount of the retroactive payment. The retroactive period for the payment covered January 1, 2001, through August 31, 2001. All retroactive payments were issued September 1, 2001.

Division	Volume of Retroactive Payments	Gross Dollars Paid from all Retroactive Payments	Average Payment
Disability	2	\$ 1,583.60	\$ 791.80
Survivor Benefits	159	\$ 367,490.16	\$ 2,311.26
Service Retirement	2,906	\$ 7,496,092.70	\$ 2,579.52
TOTAL	3,067	\$ 7,865,166.46	\$ 2,564.45

Quarterly Supplemental Payments

The Annual Supplemental Calculation Program for 2001/2002 fiscal year was completed for the quarterly payment to be issued October 1, 2001. Generally, those members who retired in 1981 or prior have been receiving supplemental payments. After the aforementioned recalculation, members who retired in 1982 and 1983 have become eligible to receive quarterly supplemental payments.

Number of Benefit Recipients who received Quarterly Supplemental Payments	Gross Dollars Paid from all Quarterly Payments
Current Quarter: 44,459	Current Quarter: \$49,706,166.40
Previous Quarter: 36,513	Previous Quarter: \$45,226,797.01
Increase in recipients: 7,946	Increase in dollars: \$ 4,479,369.39

- B. Service Levels: As discussed at the previous meeting, the Committee agreed that no reductions would be made to various serviced levels adversely impacted by conversion and recently enacted benefit enhancements. Attachment I reflect modifications to the Fiscal Year 2001/2002 Production Objectives that were accepted by the Committee. Attachment II provides the final document without highlighting the changes.

Currently, Service Retirement initial payments and Disability benefits continue to meet established service levels. Service Retirement “Finalizations” backlogs can now be reduced due to the recent processing of school district reports on the START System. It is estimated that 90 percent of the June 2001 retirements will be finalized by December 31, 2001.

Survivor Benefit payments are showing service level improvements and two of three recently authorized positions have been filled. Overtime continues to be worked and process improvements are being implemented.

Telephone service enhancements are on target and will provide the relief anticipated. Twelve students assistants have been hired and some have completed training and are answering calls; the Interactive Voice Response (IRV) system reprogramming will be in production in mid-October and will handle approximately 10-15 percent of incoming calls; and, the new “Billings Unit” will be established in mid-October, as well. These solutions will significantly improve telephone services and billings workload.

A discussion on additional resources necessary to improve service levels will occur in the October 2001 Budget and Audits Committee and will be discussed under this item to the degree this Committee deems necessary.

C. Application Volume: All benefit applications decreased 57 percent in comparison to the same period last fiscal year. July 2001 Service Retirement applications increased 45 percent in comparison to July 2000 (1,992 retirements compared to 1,161).

D. Interest Payments: None were made for Disability benefits. Service Retirements paid \$175 for twelve applications. Survivor Benefits paid \$8,060 for 158 reported deaths. This is in comparison to \$1,301 paid for 99 cases in August 2000. This increase is directly attributable to the February 2000 downtime initiation and resultant backlog of Survivor Benefit cases.

II. Individual Program Reports: Pages 1-7

III. Miscellaneous Items: Pages 8 - 9

CalSTRS FISCAL YEAR 2001/02 PRODUCTION OBJECTIVES

SERVICE RETIREMENTS

- *Process 100 percent of ~~all~~ service retirement application payments within 30 days of the retirement effective date or receipt of completed application, whichever is later.**
- *Complete 100 percent of ~~all~~ final service retirement payments within 45 days of receipt of all necessary information.**
- *Finalize 90 percent of ~~all~~ service retirement payments within four months of the retirement effective date.*

SURVIVOR BENEFITS

- *Process 95 percent of ~~all~~ applications within 30 days of receipt of all necessary information.**
- *Complete 95 percent of ~~all~~ death benefit payments for retired members within 90 days of receipt of notification of death.*

DISABILITY SERVICES

- *Process 100 percent of ~~all~~ eligible applications within 180 days of receipt.*
- *Process 95 percent of ~~all~~ approvals within 30 days of last required document.*
- ~~*Process 100 percent of all initial payments within ten working days following the date the disability is approved, the effective date or receipt of all necessary information, whichever occurs last.**~~

PUBLIC SERVICE

- *Answer 95 percent of ~~all~~ calls in less than three minutes.*
- *Answer 95 percent of ~~all~~ calls on the first contact.*
- *Respond to 90 percent of ~~all~~ correspondence in ten working days.*
- *Respond to 75 percent of e-mails in 3 working days.*
- *Respond to 100 percent of e-mails in 10 workings days*

REGIONAL COUNSELING SERVICES

- *Conduct 400 workshops.*
- *Provide 22,000 retirement interviews.*
- *Deliver 80 group appointment workshops.*

FINANCIAL EDUCATION PROGRAM

- *Deliver 30 Financial Education Program workshops to CalSTRS members.*

* The accomplishment of this objective will minimize interest penalty payments resulting from processing delays.

CalSTRS FISCAL YEAR 2001/02 PRODUCTION OBJECTIVES

SERVICE RETIREMENTS

- *Process 100 percent of service retirement application payments within 30 days of the retirement effective date or receipt of completed application, whichever is later.**
- *Complete 100 percent of final service retirement payments within 45 days of receipt of all necessary information.**
- *Finalize 90 percent of service retirement payments within four months of the retirement effective date.*

SURVIVOR BENEFITS

- *Process 95 percent of applications within 30 days of receipt of all necessary information.**
- *Complete 95 percent of death benefit payments for retired members within 90 days of receipt of notification of death.*

DISABILITY SERVICES

- *Process 100 percent of eligible applications within 180 days of receipt.*
- *Process 95 percent of approvals within 30 days of last required document.*

PUBLIC SERVICE

- *Answer 95 percent of calls in less than three minutes.*
- *Answer 95 percent of calls on the first contact.*
- *Respond to 90 percent of correspondence in ten working days.*
- *Respond to 75 percent of e-mails in 3 working days.*
- *Respond to 100 percent of e-mails in 10 working days.*

REGIONAL COUNSELING SERVICES

- *Conduct 400 workshops.*
- *Provide 22,000 retirement interviews.*
- *Deliver 80 group appointment workshops.*

FINANCIAL EDUCATION PROGRAM

- *Deliver 30 Financial Education Program workshops to CalSTRS members.*

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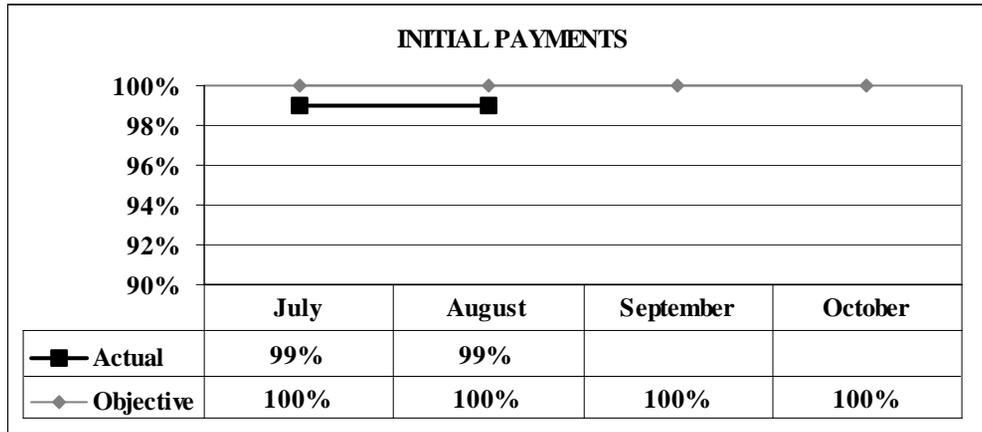
**CalSTRS PRODUCTION OBJECTIVES
2000-2001 FISCAL YEAR**

Service Retirements

Objective Process 100 percent of all service retirement application payments within 30 days of the retirement effective date or receipt of completed application, whichever is later.

Application Volume Change Plus 45 percent in comparison to same period last fiscal year.

Baseline FY 1998/99 actual: 99 percent



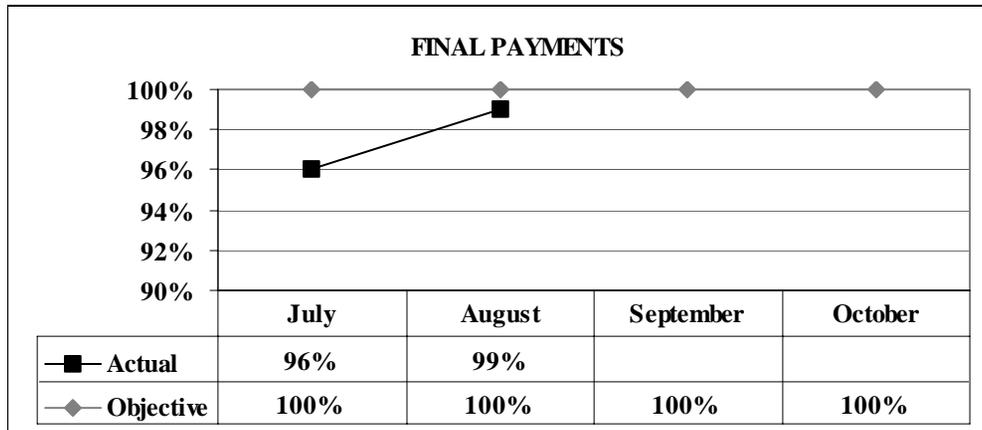
Year to Date Average: 99%

Objective Process 100 percent of all final service retirement payments within 45 days of receipt of all necessary information.

Interest Payments August 2001: 12 payments/\$175

Current Year Cumulative:
20 payments/\$318
Current Year Monthly Average:
10 payments/\$159
Prior Year Monthly Average:
30 payments/\$246

Baseline FY 1998/99 actual: 98 percent

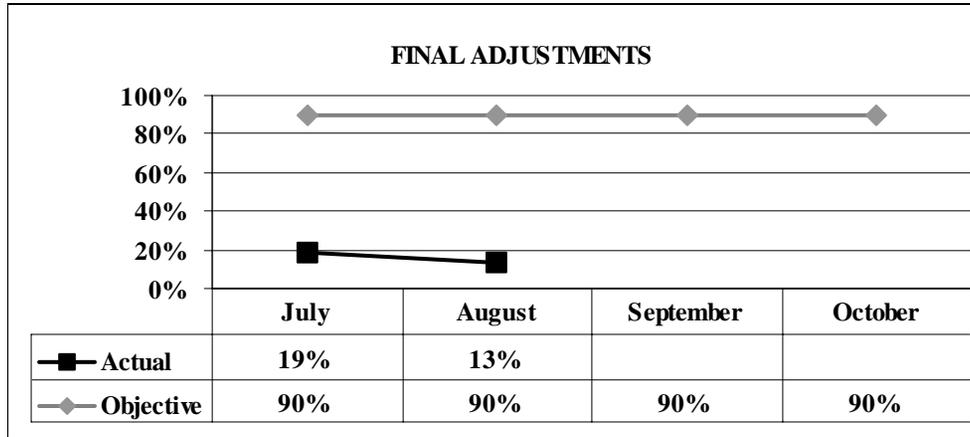


Year to Date Average 98%

**CalSTRS PRODUCTION OBJECTIVES
2000-2001 FISCAL YEAR**

Service Retirements

Objective Finalize 90 percent of all payments within four months of the retirement effective date.



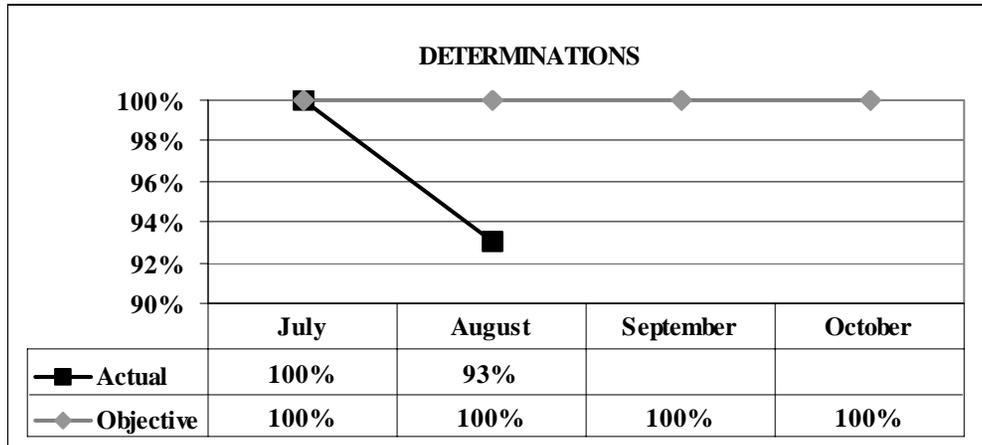
Baseline FY 1998/99 actual: 91 percent

Year to Date Average: 16%

Disability

Objective Process 100 percent of all eligible applications within 180 days of receipt.

Application Volume Change Plus 20 percent in comparison to same period last fiscal year.



Baseline FY 1998/99 actual: 99 percent

Year to Date Average: 97%

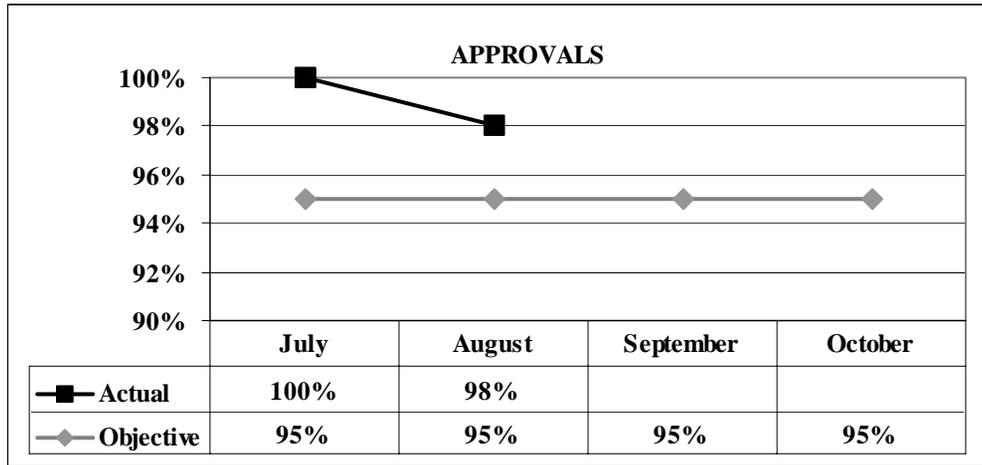
**CalSTRS PRODUCTION OBJECTIVES
2000-2001 FISCAL YEAR**

Disability

Objective Process 95 percent of all approvals within 30 days of receipt of all necessary information.

Interest Payments August 2001: None

Current Year Cumulative:
None
Current Year Monthly Average:
None
Prior Year Monthly Average:
None



Baseline FY 1998/99 actual: 100 percent

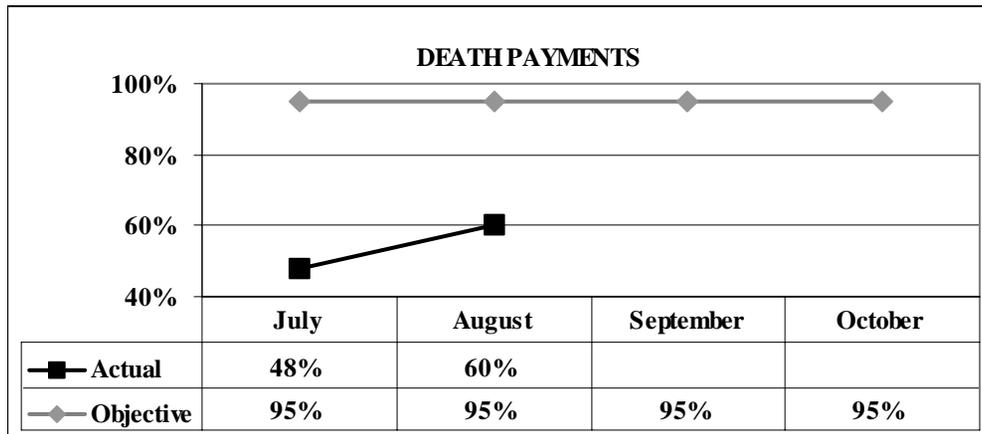
Year to Date Average: 99%

Survivor Benefits

Objective Process 95 percent of all applications within 30 days of receipt of all necessary information.

Interest Payments August 2001: 158 Payments/\$8,060

Current Year Cumulative:
469 payments/\$21,710
Current Year Monthly Average:
235 payments/\$10,855
Prior Year Monthly Average:
24 payments/\$1,425

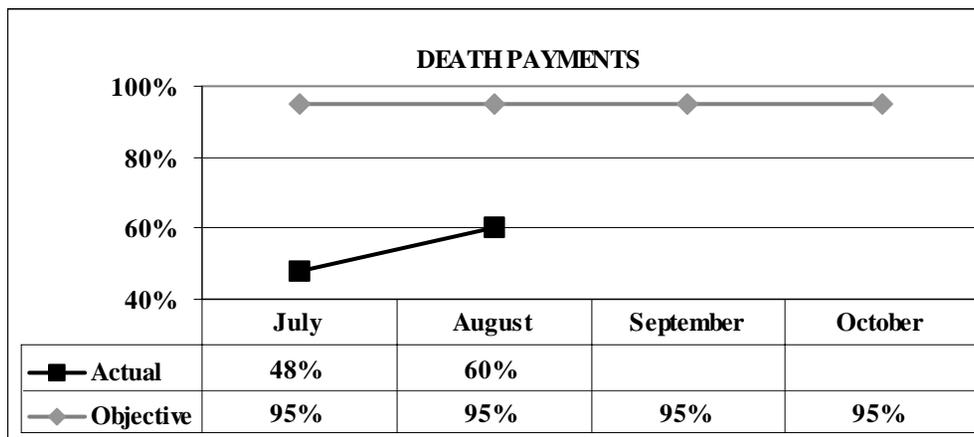


Baseline FY 1998/99 actual: 97 percent

Year to Date Average: 54%

CalSTRS PRODUCTION OBJECTIVES 2000-2001 FISCAL YEAR

Objective Complete 95 percent of all payments for retired members within 90 days of receipt of notification of death.



Baseline FY 1998/99 actual: 93 percent

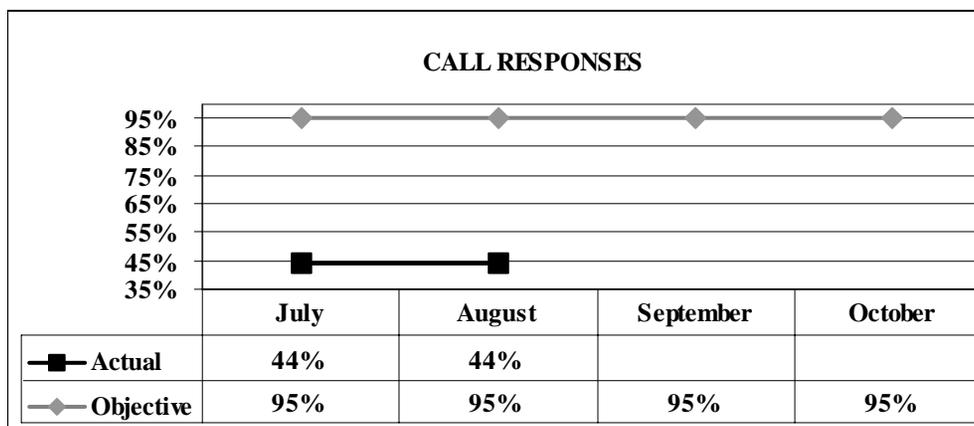
Year to Date Average: 46%

Public Service

Objective Answer 95 percent of all calls in less than three minutes.

Volume Change 18.34 percent decrease.

Notes Average queue time: 251 seconds
Longest queue wait: 33 minutes

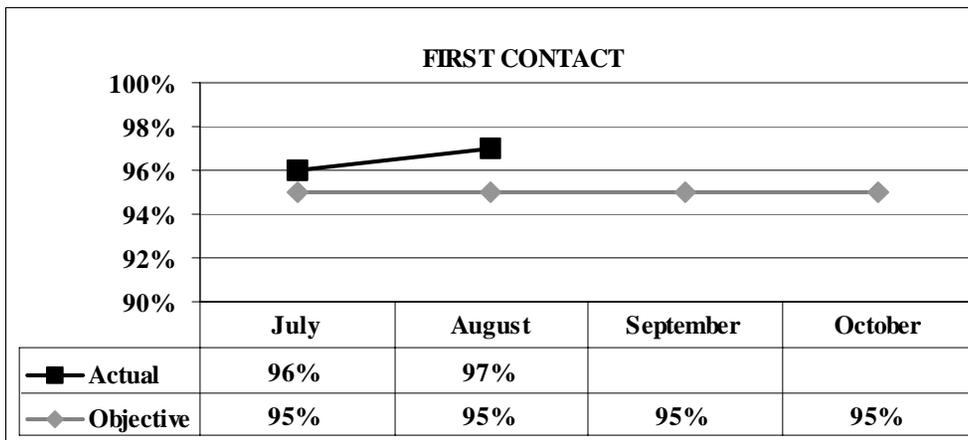


Baseline FY 1998/99 actual: 94 percent
FY 1996/97 Objective:
75 percent in less than three minutes.

Year to Date Average: 44%

CalSTRS PRODUCTION OBJECTIVES 2000-2001 FISCAL YEAR

Objective Answer 95 percent of all calls on the first contact.

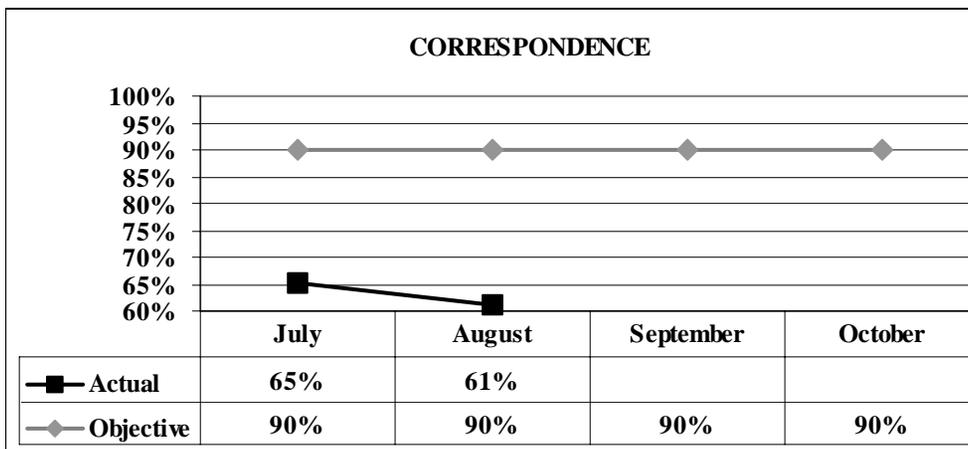


Baseline FY 1998/99 actual: 98 percent

Year to Date Average: 97%

Public Service

Objective Respond to 90 percent of all correspondence in ten working days.



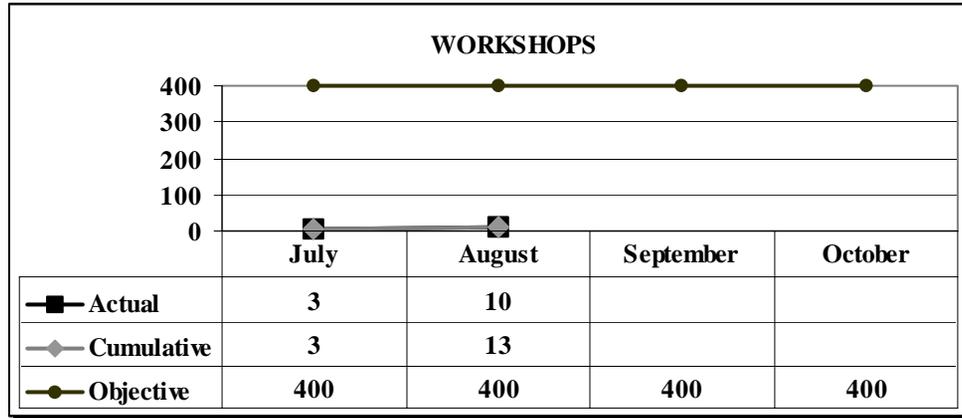
Baseline FY 1998/99 actual: 94 percent

Year to Date Average: 63%

**CalSTRS PRODUCTION OBJECTIVES
2000-2001 FISCAL YEAR**

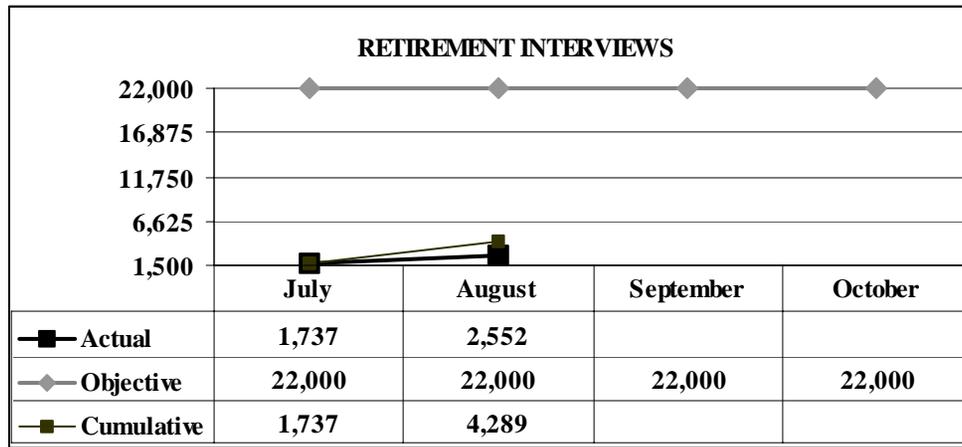
Regional Counseling Services

Objective Conduct 400 workshops



Baseline FY 1998/99 actual: 491

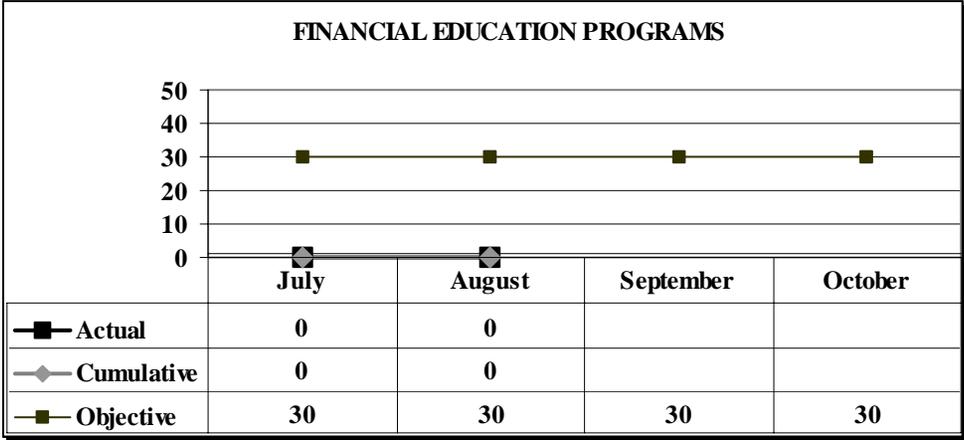
Objective Provide 22,000 retirement interviews.



Baseline FY 1998/99 actual: 24,657

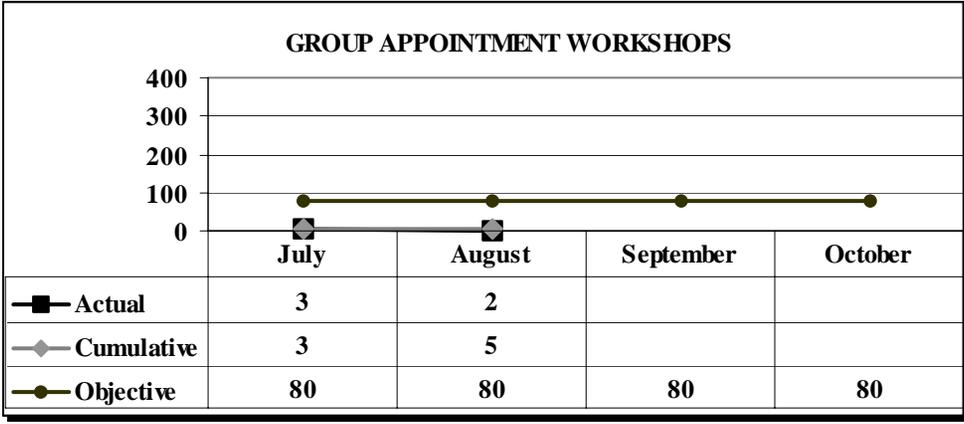
**CalSTRS PRODUCTION OBJECTIVES
2000-2001 FISCAL YEAR**

Objective Deliver 41 Financial Education Program to CalSTRS members.



Baseline FY 1998/99 actual: 32

Objective Deliver 80 group appointment workshops



CalSTRS PRODUCTION OBJECTIVES
2000-2001 FISCAL YEAR

III. Miscellaneous

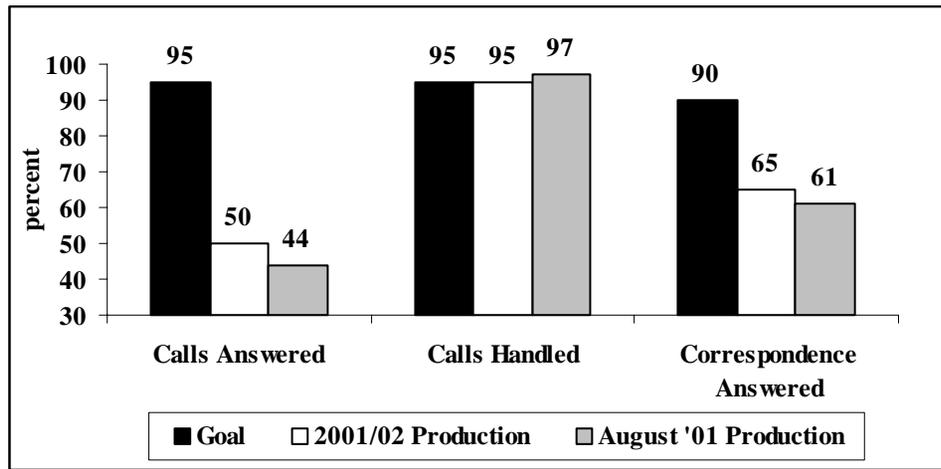
A. Outstanding Survivor Benefit Cases: The Education Code requires a report to the Board on outstanding Survivor Benefit cases not paid within six months of the notification of death. As of August there were 599 exceeding this threshold. In July 2001, there were 615 cases beyond the six-month processing period, while in June there were 283 cases exceeding the six-month threshold.

B. One-Year Final Compensation: During the current fiscal year, no school districts have chosen to participate in this program.

C. Golden Handshake:

August - 2000 29 districts / 81 participants
August - 2001 21 districts / 28 participants

D. Telephone Center:



**CalSTRS PRODUCTION OBJECTIVES
2000-2001 FISCAL YEAR**

D. Telephone Center: (continued)

